

POWERLINE

NEWSLETTER OF THE SOUTHEASTERN POWER ADMINISTRATION

SPRING 2006



TVPPA Annual Conference
May 17-19 • Nashville, TN

**SERC Security Coordinators
Operating Committee
Meeting**
May 18-19 • Atlanta, GA

**SERC System Operators
Sub-Committee Meeting**
May 22-23 • Atlanta, GA

**VACAR Reliability
Coordinators Procedures
Working Group**
May 23 • Charlotte, NC

APPA Annual Meeting
June 11-14 • Chicago, Illinois

**FRCC Compliance
Committee Meeting**
June 14 • Tampa, FL

**Electric Cities of Alabama
Annual Meeting**
July 9-11 • Orange Beach, AL

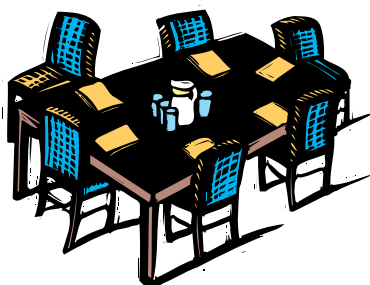
VACAR Meeting
July 13 • Fayetteville, NC

MEAG Annual Meeting
July 24-26 • Amelia Island, FL

SeFPC, Inc. Meeting
July 25 • Atlanta, GA

Work Items Approved for Georgia-Alabama-South Carolina MOA

On March 8, Georgia-Alabama-South Carolina MOA's Project Review Committee approved Work Item No. 2 (Carters unit 3 generator rehabilitation). The execution of the sub-agreement for Work Item No. 2 was completed April 3, 2006. The funding requirement for this work item is \$1,135,500, and it is scheduled to be completed by October 2006.



Southeastern Federal Power Alliance Meeting Held

The Southeastern Federal Power Alliance met March 9, in Atlanta, Georgia. Representatives with DOE Headquarters, South Atlantic Division, Savannah, Mobile, and Wilmington Districts, Corps of Engineers attended, in addition to Georgia-Alabama-South Carolina preference customers and Southeastern officials.

Customers Comment on Kerr-Philpott Rate Adjustment

Notice of a Proposed Rate Adjustment for the Kerr-Philpott System (71 Fed.Reg. 12354) was published in the Federal Register March 10, 2006. This adjustment, an increase of approximately 42 percent, is due to costs associated with the ongoing rehabilitation of the John H. Kerr Project and increases in operation and maintenance expenses. A Public Information and Comment Forum was held April 26, in Raleigh, NC. Comments were heard from nine customer representatives. The deadline for written comments is June 8, 2006. All comments will be considered before proposed rate schedules are finalized and forwarded to the Deputy Secretary of Energy with a request for interim approval.



SEPA Assists in Energy Assessments

Southeastern's Competitive Resource Strategies Program is working with Georgia Tech's Industrial Assessment Center to fill three remaining industrial energy assessments. This DOE-funded program targets industrial facilities that fall within the following four criteria:

- 1) less than \$100 million in annual sales
- 2) fewer than 500 employees
- 3) total annual utility bills between \$100,000 and \$2.5 million
- 4) no dedicated in-house energy managers

On average, these assessments save industrial customers \$72,000 a year in operating expenses.

Funding Agreements Forwarded

Southeastern mailed funding agreements to the 48 Georgia-Alabama-South Carolina non-participating customers in order to afford them an opportunity to participate in future work items. There are currently 133 participating customers. Those customers currently participating, plus any new participants, will be included in the next work item approved by the Project Review Committee.



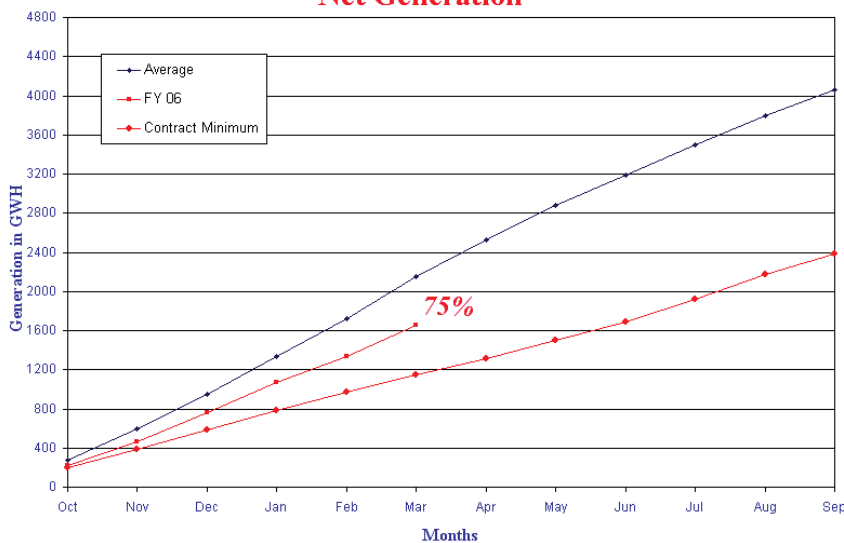
Team Cumberland Meeting Held

Members of Team Cumberland met April 19-20, in Nashville, Tennessee. Representatives with the Nashville District, Corps of Engineers, Cumberland preference customers, and Southeastern attended.

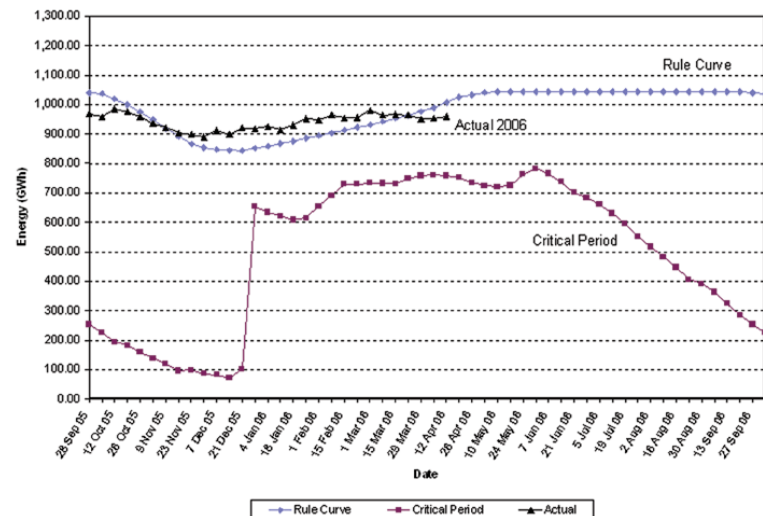
IN MEMORIAM

Long time SEPA friend and former Alaska Power Administrator Gus Norwood died May 2 at his home in Vancouver, Washington. He was 90 years old. Mr. Norwood was the first Administrator of the Alaska Power Administrator and author of the *Gift of the Rivers*, a history of Southeastern's first 40 years. Once out of high school, he won an appointment to the U.S. Naval Academy. Upon graduation from the Academy, Mr. Norwood served on the carrier USS Hornet during WW II's Battle of Midway. He was still on that ship at Guadalcanal when it sank. He swam over a mile and was rescued by another ship. Mr. Norwood went on to serve in the Pacific until the cessation of hostilities. Mr. Norwood will be remembered for his many stories, busy life, and as an exemplary public servant.

GA-AL-SC System FY 06 Cumulative Net Generation



GEORGIA - ALABAMA - SOUTH CAROLINA SYSTEM ENERGY-IN-STORAGE 2005



Note: The critical period is Calendar Year 1981.

PLANT AVAILABILITY/CAPACITY UPDATE: JANUARY - MARCH 2006

GA-AL-SC Availability

Carters #3 (140 MWs):

- Scheduled return October 2006. Work includes cavitation repair, wicket gate repair, control system and governor
- Customer-funded generator stator work also being done

George #1 (42 MWs):

- Out for rehabilitation
- Scheduled to return August 2006

George #2 (42 MWs):

- Out for rehabilitation
- Scheduled to return June 2006

George #3 (37 MWs):

- Major rehabilitation beginning August 2006

Russell:

- Transmission-limited output
- Unit #5 headgate repair through August 2006
- Customer-funded upgrades to Units #1 - 4 (to begin in May and last through September)

Thurmond (52 MWs):

- Unit #2 scheduled to return July 2006

West Point:

- Unit #2 repairs continuing; potential return June 2006
- Unit #2 rewind funded for 2006; work to begin this fall
- Unit #3 rewind being considered for future customer-funded work item in 2007

Cumberland Availability

Center Hill:

- Unit #2 out due to cooler problems. Proposed as a customer-funded work item

Cheatham:

- Unit #1 out for routine maintenance

Dale Hollow:

- Unit #2 out for routine maintenance

Wolf Creek:

- Appropriations-funded rewind of Unit #4 to begin October 2006. Expected to return in 6 months
- Customer-funded rewind of Unit #6 to begin upon completion of Unit #4

Kerr-Philpott Availability

- Station service rehabilitation contract awarded for both Kerr and Philpott projects

John H. Kerr (14 MWs):

- Unit #1 rehabilitation progressing. Return date delayed due to coils.

Philpott (7 MWs):

- Unit #1 returned to service after biannual inspection
- Biannual inspection continues on Unit #1

Jim Woodruff Availability

- One unit out at a time for installation of unit control system. Expected to take 6 - 8 weeks per unit.
- SCADA system will also be done during this period (July - December 2006)
- One hour per day of peaking operations, if available, is minimizing the purchase of support capacity and firming energy